Mission Statement:

To work with stakeholders to protect building safety and promote community livability by consistently applying codes affecting the Minneapolis built environment through education, information, development review and inspections services.

Primary Businesses:

Development Review Services: To provide quality zoning and construction plan review to citizens, businesses, developers, contractors and design professionals so they can conform to applicable codes and regulations relating to life safety, health, and livability in an efficient and cost-effective manner.

Construction Inspection Services: To provide quality construction inspection services to citizens, businesses, developers, contractors and design professionals so they can conform to applicable codes and regulations relating to safety, heath, and livability in an efficient and cost effective manner.

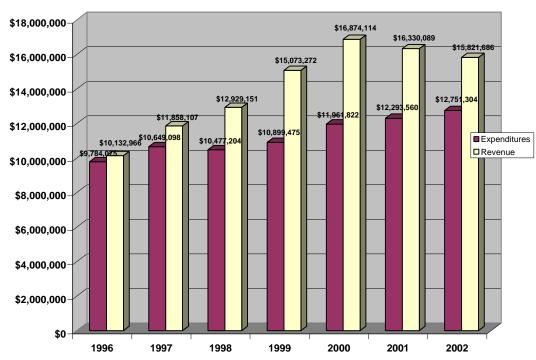
Housing Inspection Services: To provide quality education and consistent enforcement of the Housing Maintenance and other applicable codes to the community in order to maintain, improve and protect the housing stock and livability of the City.

Key Trends and Challenges Impacting the Department:

Key Trends

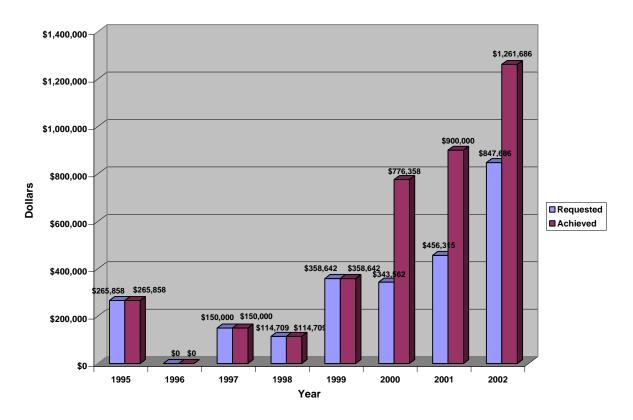
Inspections Division revenues have historically exceeded expenditures, as shown in the first graph below. Several million in excess revenue is turned over to the general fund annually. However, the gap between revenue and expenditures has been closing since 2000, due in part to a slowing economy. The second graph shows how in recent years Inspections have exceeded its targeted amounts.

Direct Expenditure vs Revenue General Fund



City of Minneapolis - Inspections

Inspections Division Target Strategy History



Challenges

Fee for Service Match:

Customers and State Government are clamoring for cities to match their regulatory services with the fees charged for those services. Spurred on by the construction and remodeling industry, the 2001 Legislature passed a law requiring cities to show that revenues collected from permit fees are less then or equal to the cost of providing services, beginning this year. If a city's municipal construction and development fees exceed costs, the city will be required to increase services to match or exceed revenues or reduce permits fees to equal the level of service provided.

One of Inspections' key challenges is to determine the appropriate methods for closing the service gap (see Key Performance Measures) while meeting the legal responsibility to inspect for public health and safety, and at the same time implementing service improvements in accessibility and quality. Inspections will be propose working with Finance and the City Coordinator to develop a professional, accountable, and sensible plan for transitioning Regulatory Services Inspections and Licenses Divisions to an Enterprise Fund model to provide services in accordance with fees for services. Acting now, Inspections will be able to preserve the permit fee revenue stream, which will allow improvement public safety for citizens and improve customer satisfaction with the regulatory process.

Regulatory Reform:

This reform initiative significantly impacts the regulatory environment in which the Division works. The Division supports the goals of Regulatory Reform and has devised strategies to implement these reforms, many of which are also major recommendations of the McKinsey study. These strategies include streamlining the development process through work flow management, enhancing the one-stop permit center, revising codes, and expanding public access to services through GIS, Internet based permit and license transactions, and Remote Inspector.

Regulatory Reform's emphasis on more efficiency, quality, and access to services and federal, state, and local mandates to protect the public through more regulation are often perceived to be in stark contrast. Regulations can protect the welfare of the public but regulations also add complexity to providing services and slow down the provision of services. Inspections' challenge is to seek a balance between an accepted level of regulation and the desired level of customer service. Inspections' goal is to transform the conventional tension between public health and safety regulations and customer expectations from habitual conflict and miscommunication, to agreement based on common interests and the public good. The McKinsey study recommendations, to implement these strategies, are part of the answer to providing better, more accountable and policy directed development services. The details of implementation and integration within the regulatory environment, including Inspections' particular challenges, are still to be determined. Inspections is ready to take a leadership role in making reform strategies work through its continuing regulatory reform efforts and planning that may result from the McKinsey recommendations.

Data Integrity:

The City's continuing progress towards enterprise level provision of services has revealed a tremendous need to improve data integrity not only within the Division but also throughout the City. The overall trend towards increasing complexity and the need for increased collaboration between departments to achieve enterprise level services will demand improved data integrity. Inspections' challenge is to creatively garner other resources to continue to improve Enterprise Land and Regulatory Services data quality while implementing service improvements.

911 and Emergency Preparedness & Security:

Since the national tragedy of September 11, the concerns for public safety and personal security have been transformed. This is exemplified with the President's creation of a homeland security office. Local government is being asked to prepare for a myriad of possible terrorist attacks. Additionally, the Inspections' staff will need specialized training to assist in the response. How Inspections Department interacts with the public, whether in the office, or in the field, has completely changed, adding another challenge to providing responsive customer service.

Key Enterprise Outcome Measures Influenced by the: Inspections Division

- 1. Reduce opportunities for emergency situations and crime (i.e. vacant buildings)
- 2. Increase the number of renovated and converted buildings and the number of substandard housing units (i.e. boarded and vacant buildings) that are renovated and converted to viable housing units
- 3. Improve the quality of existing housing
- 4. Increase the percentage of private sector businesses that report doing business in the City
- 5. Decrease the number of citizens reporting concerns with graffiti and nuisance businesses
- 6. Increase public satisfaction with cleanliness of commercial corridors
- 7. Increase the percentage of cases where design or development guidelines and regulatory tools are being followed
- 8. Increase the percentage of citizens who view the corridors as vital and unique
- 9. Balance regulatory controls with a business friendly environment
- 10. Reduce illegal dumping and littering
- 11. Reduce the number of graffiti incidents
- 12. Increase percentage of people who live and work in Minneapolis that report satisfaction with City services

Performance Data for Key Enterprise Outcome Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of vacant and boarded buildings under Chapter 249	257	195	160	120	120
# of registered vacant buildings	vacant building	165	120	100	100

without boards - secured by normal means	registration program not in effect				
% housing units below average condition rating per Assessor	21.5%	19.6%			
% of businesses that report satisfaction with inspections services				survey planned	survey planned
% of citizens reporting satisfaction with the City's efforts at cleaning up graffiti		71%			
% of citizens reporting that their neighborhood is clean and well maintained		80%			
% of cases where design or development guidelines and regulatory tools are followed			survey planned		
# of incidents of illegal dumping and littering					
# of graffiti incidents	3924	9163	8700		
% citizens reporting satisfaction with City's efforts at dealing with problem businesses and unkempt properties		58%			

Explanation of Performance Data for Key Enterprise Outcome Measures: Many of the enterprise measures above, and those appearing under specific service activities related to customer satisfaction, are being reviewed and studied for possible incorporation into the Inspections Division performance measurement system. In order to provide valid, meaningful data for these measures, the Division will need to define how this data can be collected and establish processes for data collection, analysis, and reporting.

Primary Business: Development Review Services

(Service activities and performance measures sorted by business)

<u>Service Activity:</u> Provide development review services, including zoning, plan review, and permit issuance.

Description: Assist customers in complying with state laws and city ordinances related to building construction and land use. Issue all building, plumbing, mechanical, electrical, elevator, zoning, and other building construction permits.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Number of plans reviewed	2,886	2,600 (1)	2800 (2)	3000	3000
Number of zoning applications processed	493	500	500	500	500
Number of permits issued	57,000	55,000	57,000	57,000	57,000
Permits issued per reviewer		469-550	550	550	550
\$ value of permits issued	\$1.16 billion	805 million (3)	850 million (3)	850 million (3)	850 million (3)
Revenue received	\$13.8 million	\$12.1 million	13 million	14 million	14 million
# permits issued/plans reviewed during "Homeowners Night"	14 permits	186 permits	400 customers 200 permits	400 permits 800 customers	400 permits 800 customers
% customers expressing satisfaction with development review services	50% (4)	75% (5)	75% (5)	80%	80%
Number of preliminary plan review meetings	0	67 (6)	120	150	150

Explanation of Key Performance Measures:

In 2000, the Division held an open house to present its new one–stop permit center, and initiated Homeowners Night on selected Monday evenings. For 2002, Homeowner's Night continues every Monday through September.

- (1) Data on plans reviewed are estimated. In midyear 2001 all BOTC (Building Over the Counter) permits issued by plan review staff became BIRE (Building Remodeling) permits. This was to distinguish between permits approved at the permit counter and those needing plan review approval. Year 2001 actual number of plans reviewed is an estimate out of the total of 4691 permits issued by plan review that year.
- (2) Because of the plan review process change mid-year in 2001, this is the first full year of the expanded BIRE permits. Plan review will issue an estimated 5000-6000 permits in 2002. Of these we estimate 2800 to involve plan reviews.
- (3) Totals are building permits only. Previous totals may have included all permit types.
- (4) This measure is currently based on customer survey cards which our section only receives 5 to 10 back in a year. Negative comments often related to lack of parking or length of time needed to obtain permits.
- (5) In general, there are positive comments regarding homeowner night and customer use of this service is increasing.
- (6) The Preliminary plan review process began in mid 2001.

<u>Service Activity:</u> Provide zoning services, including consultation with customers, evaluation and processing of applications, and zoning and sign inspections (effective in 2002-2003, Zoning activities are done in conjunction with, or through the Planning Department -- See Financial Narrative)

Description: Includes zoning consultation with customers, and evaluation and processing of applications. Respond to customer requests for zoning inspections. Inspect signs for adherence to zoning codes.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Number of customer service requests received	465 zoning 64 sign	664 zoning 557 sign	662 zoning 648 sign	675 zoning 650 sign	675 zoning 650 sign
Number of inspections conducted	96 zoning 64 sign	541 zoning 229 sign	712	800	800
Number of inspections per inspector		513	475	533	533
% cases brought into voluntary compliance		10%	15%	15%	15%
Average time between initial inspection and abatement			48 days	45 days	45 days
Customers served, counter		4218	4300	4400	4400
Customers served, appointments		1978	2000	2100	2100
Customers preliminary plan review group		178	200	230	230
Building permits reviewed for zoning compliance		2460	2720	3000	3000
Zoning confirmation letters for mortgages			650	700	700

Explanation of Key Performance Measures: Zoning issues range from set backs to extremely complicated cases involving multiple allowable use issues. The percentage of cases brought into voluntary compliance is relatively low due to the handling of complex cases, which are those that have the greatest impact on the City requiring extensive research, several inspections, legal issues and several agency, Planning Commission, and Council meetings to resolve. Resolutions involve new zoning permits, orders that have substantial impact on business and neighborhoods, legal actions, and property/development transactions.

Primary Business: Construction Inspection Services

(Service activities and performance measures sorted by business)

<u>Service Activity:</u> Provide construction inspection services to ensure a safe built environment

Description: Provide construction inspections services to citizens, businesses, and contractors so they can conform to applicable codes and regulations relating to safety, health, and livability; inspect all new

construction, remodeling, site alteration, and wrecking, for which permits are issued. Coordinate the issuance of certificates of approval for the occupancy of new buildings, the rehabilitation of condemned buildings, and compliance with truth in housing.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Total Permits Issued x 2 = projected minimum demand for construction inspections*	57,192 x 2 = 114,384	52,648 x 2 = 105,296	47,424 x 2 = 94,848	52,000 x 2 = 104,000	52,000 x 2 = 104,000
Number of construction inspections conducted	79,272	78,286	71.112	80,000	80,000
Service Gap: Demand - inspections performed	35,112	27,010	23,736	24,000	24,000
Average # of inspections per inspector per day	10	10	10	10	10
Number of certificates of occupancy issued**	119	322	320	275	275
% customers expressing satisfaction with inspections services				survey planned	survey planned

Explanation of Key Performance Measures:

Service Activity: Conduct Truth in Sale of Housing Program (TISH)

Description: To improve the City's housing stock, maintain affordable housing, and promote public safety by eliminating identified hazards through the truth and sale of housing evaluation/inspection process.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Number of TISH certificates of approval issued	4,372	4760	4500	4400	4400
Number of violations identified to be corrected	26,515	23855	21000*		
% homebuyers and homesellers expressing satisfaction with TISH				survey planned**	survey planned**
No. of TISH evaluations processed	6487	7040	6700	6800	6800

Explanation of Key Performance Measures:

Since the early '70's the City has had a truth in housing program (TISH), which provides critical housing condition information for consumer protection. In 1999, the TISH program was significantly changed to include the correction of specific hazards either at time of sale or within 90 days of closing. The program modification augmented consumer protection with the improvement and/or maintenance of the City's housing infrastructure at time of sale.

Effective June 1st of this year, the program was again modified in three major ways: 1) The responsibility for the repairs legally defaults to the buyer if the seller chooses not to make the repairs. Also, if the property

^{*} Each year, conservatively on average, Inspections' is unable to perform approximately 27,000 required construction inspections. This backlog, or service gap, compounds itself each year with the inability to respond. The Insurance Services Organization's recommends 8 inspections per day per inspector as an optimum for quality assurance. Currently, inspectors are exceeding that optimum and still unable to provide the necessary service. The key challenge is to determine the appropriate methods of closing this service gap, while meeting legal responsibilities to inspect for public health and safety. This issue is particularly challenging considering the limited resources, the ever-increasing regulatory environment, ongoing customer service demand, and the legal obligation to inspect.

^{**}This number reflects new or newly classified building structures approved for occupancy. Therefore, many more dwelling units or businesses are actually involved. For example, within the 322 buildings approved in 2001, it included 855 dwelling units, 336 hotel units, 6 schools, 6 day care centers and a myriad of retail spaces, offices, restaurants and parking ramps.

does not sell, the repairs do not need to be made. 2) The required repairs were refocused to include only the critical main building systems and smoke detectors, and 3) The closing process was streamlined with limited City involvement, placing responsibility on the private parties to send information to the City after closing.

*This recent ordinance change will certainly reduce the number of violations identified as the required repair list as been reduced. Although repairs are not required if the property does not sell, Inspections believes this will only slightly reduce the number of certificates issued.

Service Activity: Provide education and information on building codes

Description: Communicate with community partners, citizens, and customers to promote building safety and livability and provide education on how to meet building codes through written and verbal means and Inspections web site.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# requests for information				New phone system*	New phone system*
# Communications produced and distribution levels			2 cable TV prgs. Utility insert 2 news articles 10 handouts at 2 fire stations		
# partnerships with community organizations					
# hits to the inspections website		40,000	60,000	80,000	80,000
languages in which basic information is provided	English, Spanish, Somali		10	20	20
% customers expressing satisfaction with information received				survey planned	survey planned

Explanation of Key Performance Measures:

Inspections has also enhanced its web site over the past year with improved graphics, information and applications that can be downloaded and printed, and email forms for customers to request services and provide feedback on our services.

Service Activity: Provide competency cards.

Description: Provide testing services to contractors in order to prove their competency in specific trades. Provide competency cards to those passing the test.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# competency cards issued	5,500	5,500	6,535*		
# of validated exams coord. with HR	201	344	426	1,750**	1,750**

Explanation of Key Performance Measures: *The competency card process is being reformed to eliminate competencies and/or licenses issued by the State or seen as unnecessary for public safety/consumer

^{**}A survey will assist in determining whether the recent ordinance changes have improved customer satisfaction with the program.

^{*} CIS has installed a customer service line. In 2003 the phone system will be modified to track the number of customer requests for service.

protection. As a result, there will be a reduction in the number of comp cards issued. If plumbing is locally also eliminated, there will be another reduction of 1,312 comp cards in this trade alone.

**Due to the 2002 reform of the competency card program, validated testing will replace previous board issued exams. Therefore, there will be a significant increase in validated testing in 2003 and beyond.

Primary Business: Housing Inspections services

(Service activities and performance measures sorted by business)

<u>Service Activity:</u> Conduct inspections for customer service requests to ensure compliance with the Housing Maintenance Code and other applicable codes.

Description: Conduct routine inspections for environmental nuisance type violations on residential properties, vacant lots, and commercial properties. Provide specialized services for CAP, Problem Properties Task Forces, CityWide Inspector Assignment, Citizen Inspections, Board and Lodging, Graffiti Removal, New Arrival Initiative, and other special neighborhood inspection projects.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# Housing cases addressed	54,000	61678	59500	60000	60000
Average # cases per inspector	1800	2126	2051	2068	2068
Average # days to respond to customer service requests	6	5	5	5	5
% cases brought into voluntary compliance	58	55	55	58	58
% cases brought into compliance through admin/judicial action	20	32	30	30	30
# of reinspections conducted on cases due to noncompliance with initial orders	76965	82598	82000	83000	83000

Explanation of Key Performance Measures:

Service Activity: License rental properties and inspect owner occupied properties.

Description: Conduct systematic inspections of rental and owner occupied properties to ensure preservation of the housing supply

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Number of buildings and units with rental licenses	16,000	16167 properties 80191 units	16000 properties 80000 units	16000 properties 80000 units	16000 properties 80000 units
% rental properties inspected annually	46	45	47	50	50
# of owner occupied properties with violations				to be reported in 2003	to be reported in 2003
# rental licenses revoked	8	8	3	3	3
# licenses reinstated after remedial action	2	3	5	5	5
# of violations cited on rental properties	32026	31636	35000	36000	36000
# of units approved for rental licenses	2288	3412	4500	5500	5500

Explanation of Key Performance Measures:

Service Activity: Conduct hazardous and boarded buildings program.

Description: Remove hazardous structures to protect public safety. Administer the fire escrow program in compliance with State Statute to assure fire – damaged buildings are either repaired or removed using insurance funding available. Administer the code compliance program on condemned buildings and moved structures to allow occupancy only after buildings are in compliance with code and local ordinances.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# hazardous buildings boarded and \$ value of assessments	148 \$44,440 assessed	115 \$27,090 assessed	104 \$20000 assessed		
# of hazardous buildings demolished (249 program and emergency demolitions)	18 (249 program) 20 emergency	11 (249 program) 5 emergency	18 (249 program)		
# boarded buildings rehabbed	80	83	80		
# bldgs open to trespass	263	17	104		
# buildings condemned due to boarding	77	70	60		
# of code compliance certificates issued	118	160	74		
# of fire escrow accounts processed & escrowed funds	45 \$280,000	60 521000	71 1031646		
# buildings boarded by Police	not in effect in 2000	183	425		

Explanation of Key Performance Measures:

Service Activity: Provide leadership to ensure a Clean City

Description: The Clean City campaign includes identifying regional partners, developing and implementing the campaign, developing a media blitz, organizing citywide and neighborhood events, the Northside inspections sweep and an awards program.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# requests for service	31148	32959	34858	35000	35000
# proactive inspections	27,845	28607	29247	30000	30000
# violations/orders issued	34,216	36843	37539	38000	38000
# graffiti cases	315 50,703 sq. ft.	343 55266 sq ft.	1000	1200	1200
% of citizens reporting that their neighborhood is clean and well maintained		80%			
% of citizens reporting satisfaction with the City's efforts at cleaning up graffiti		71%			
\$ cost of trash clean up	214765	188620	190000	200000	200000
\$ cost of graffiti abatement	183768	208471	*		
Avg. # days in which graffiti is removed			45	45	45
\$ cost of removing inoperable vehicles		8550 (June - Dec.)	16000	16000	16000
\$ cost of hazardous tree removal	147135	138956	120000	120000	120000
\$ cost of removing long grass/weeds	72836	85484	75000	75000	75000

Explanation of Key Performance Measures: * Due to budget cuts, the Inspections Department no longer provides contractual services for sensitive surface graffiti removal. At this time, only enforcement on sensitive surface and non-sensitive surface graffiti incidents will be done.

Service Activity: Collect special assessments for providing extraordinary city services.

Description: Assessment of the costs of rubbish removal, grass cutting, hazardous trees, boarding buildings, and towing inoperable vehicles. The Inspections Division orders private contractors to remove these violations if they are not abated by property owners after appropriate notices are given.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# and \$ value of special assessments processed for nuisance abatement	5,985 \$1,079,345	3,525 \$740,916	5,000 \$600,000	\$650,000	\$650,000
# and \$ value of special assessments processed for vacant building registration	program not in effect	152 properties \$69,200	160 properties \$75,000	150 properties \$68,250	150 properties \$68,250
Total # and \$ value of special assessments	5,985 \$1,079,345	4,010 \$1,065,408	,500 \$1,050,000	6,000 \$1,060,000	6,000 \$1,060,000

Explanation of Key Performance Measures: In 2001, a decrease in special assessments occurred due to weather changes and a decrease in grass cutting. The Vacant Building Registration Program was implemented in September 2001; under this program, unpaid registrations will also be assessed.

<u>Service Activity:</u> Provide for the efficient and effective administration of the Inspections Department.

Description: Partner with internal and external customers to provide innovative ideas and enterprise solutions supporting Regulatory Services and citywide business processes and operations. Implement and support business planning and process improvements through customer input, process reform, and innovative technology. Administer the Division's operations in fleet, finance, work force planning, customer relations, space planning, and records management.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
IMPLEMENT WORKFORCE PLAN: In 2002 initiate supervisory training program for all supervisors.	Initiate Workforce Planning	Complete Workforce Plan	100% of all 24 Division supervisors attend supervisory training	100% participation in training program	100% participation in training program
% employees participating in training and education opportunities	68%	estimate 60%	60% - Develop survey instrument to track employee training and development	Implement survey instrument to track employee training and development	Implement survey instrument to track employee training and development
A current business plan in place	Yes	Yes	Yes	Yes	Yes
% of business plan initiatives implemented		15% estimate	30%	50%	50%
Affirmative Action goals met	Yes	Yes	Yes	Yes	Yes
% customers expressing satisfaction with access to inspections services and problem resolution			Begin tracking and tabulating customer comment cards	survey planned	survey planned

Explanation of Key Performance Measures:

Business Plan for Inspections completed in August 2000; Workforce Plan for Regulatory Services completed in 2001.

Financial Analysis:

From 2002 to 2003, for a total revenue increase of 2.7%, Inspections expects to produce \$16.2 million in General Fund revenue from operations. Revenue estimates were adjusted upward, with consideration given to a combination of factors including increases in permits fees and an expected reduction in the level of construction activity. Additionally, the Department proposed a revenue-neutral initiative, recommended by the Mayor, and adopted by the Council, to increase the revenue budget by \$299,000 for unpermitted work inspection fees -- and an equal expense budget increase of \$299,000 with the addition of five Inspectors (5.0 FTEs).

For 2003, the total expense budget is \$13.1 million: 98.5% from the General Fund and 1.5% from CDBG funds. Included for 2003 is the transfer of the Zoning division to the Planning Department (as Council directed for 2002, "the position, duties and authority of the Zoning Administrator be transferred from the Director of the Inspection Division to the Planning Director"). With the transfer of Zoning to Planning, moved from Inspections were 8.0 Zoning personnel (FTEs) and related expenses, for a total of \$548,000; also moved to Planning was a revenue budget amount of \$284,000 for Zoning ordinance fees. Also included in 2003, as a technical budget adjustment, is an increase to expense and revenue of \$75,000 for Inspections to fund the existing board-up program for the Police Department.

General fund expense levels were reduced during 2002 as a result of the City's \$5.2 million budget reductions: eliminated were the Clean City public relations program and the graffiti sensitive surface program, saving \$490,000. The Clean City program for 2002 originally included \$300,000 from funds first appropriated during the 2001 budget cycle for Graffiti removal and public relations.

As part of their 2002 budget target strategy, Inspections proposed, and the Mayor and Council approved, revenue increases of \$772,000 for permit fee inflationary increases, zoning application fees retained, and for clarifying fee valuations.

The budget for this department includes CDBG funding at a base level. The difference between revenue and expense in the Special Revenue Funds is the amount of the CDBG appropriation, which is recognized as revenue at the City level.

Effective in the 2003 budget, the Geographic Information Systems (GIS) business line moved within the City's Coordinator departments, to ITS (Information Technology Services). This accounts for the transfer of 5.0 personnel FTEs and a total expense reduction of \$750,000. The GIS program was added as a Decision Package during the 2002 budget process.

Summary of Target Strategies:

In lieu of a Target Strategy, Inspections has built into its base budget for 2003, revenue projections for value based and unit based permit fees tied to the annual increase in the cost of construction. Inspections estimates a 4% increase in permit fees will additionally generate \$500,347. The actual 2001 increase in the cost of construction was 5%; this figure is what the 2002 budget is built on.

Other Target Strategies/Budget Proposals:

Title: Eradicatinig Graffiti Proposal

Fund # 0100 **Agency #** 850 **Organization #** 8510

<u>Fund</u>	Cost	Revenues	FTE's	Job Titles/Other related costs
0100	(\$350,000)	\$350,000	(0.0)	Graffiti Removal Services
0100	0	\$180,000	(0.0)	Administrative Fees
0100	(\$30,000)	0	(0.0)	Education
0100	(\$50,000)	0	(0.0)	System Modification
0100	(\$100,000)	0	(0.0)	MPD & Inspections development, integration

Mayor's Recommendation:

The Mayor recommends this proposal

Council Adopted:

The Council does not recommend this proposal

Expense: (\$530,000) **Revenue:** \$530,000

Proposal Description: A cross-departmental team has worked on solutions to the graffiti issue for a number of years. The team has determined that a successful graffiti eradication program must be comprehensive. There are four major areas where resources are needed: education, enforcement/prosecution, eradication-public/private & technology changes. Any number of these areas can be funded, but the end result will be less effective than the total program.

Title: Unpermitted Work

Fund # 0100 **Agency #** 850 **Organization #** 8510

<u>Fund</u>	Cost	<u>Revenues</u>	FTE's	Job Titles/Other related costs
0100	(\$80,000)	\$0.00	(2.0)	Code Compliance Inspector
0100	(\$219,000)		(3.0)	Trades Inspector
0100	0	\$299,000	0.0	Offsetting Permit Revenue (1000 x \$300)

Mayor's Recommendation:

The Mayor recommends this proposal

Council Adopted:

The Council concurs with this recommendation

Expense: (\$299,000) **Revenue:** \$299,000

City of Minneapolis - Inspections

Proposal Description: This proposed model will provide a self-funded solution that identifies unpermitted work, provides the inspection services for the unpermitted work, and reduces the current service gap in requested inspections. It is estimated that this model may reduce the service gap by 10 percent. The assumptions for this model include: each permit generates at least two inspections, the average permit fee is \$150, and each inspector can perform 2,000 annual inspections. The two code compliance inspectors will work flexible and alternating weekends in order to identify an additional 1,000 permits annually. These permits will generate at least 2,000 inspections. The three trades inspectors, in turn, will respond to those required inspections and perform an additional 4,000 of the 27,000 backlogged inspections.

INSPECTIONS Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
General Fund - City						
Capital Outlay	100,062	109,318	190,000	268,800	41.5%	78,800
Contractual Services	2,070,761	2,152,653	2,625,722	1,919,887	-26.9%	-705,835
Equipment	188,679	386,085	115,900	116,216	0.3%	316
Fringe Benefits	1,549,074	1,639,641	2,002,460	2,157,909	7.8%	155,449
Operating Costs	358,440	360,391	513,235	378,717	-26.2%	-134,518
Salaries and Wages	7,166,184	7,807,526	7,810,266	8,072,128	3.4%	261,862
Total for General Fund - City	11,433,200	12,455,613	13,257,583	12,913,657	-2.6%	-343,926
Special Revenue Funds						
Capital Outlay	116,296	175,090	202,000	202,000	0.0%	0
Contractual Services	0	20,000	0	0	0.0%	0
Total for Special Revenue Funds	116,296	195,090	202,000	202,000	0.0%	0
Total for INSPECTIONS	11,549,496	12,650,703	13,459,583	13,115,657	-2.6%	-343,926

INSPECTIONS Revenue Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
General Fund - City						
Charges for Sales	1,159	2,137	2,000	2,080	4.0%	80
Charges for Service	560,543	566,686	535,000	272,282	-49.1%	-262,718
Fines and Forfeits	28,721	44,917	35,000	36,400	4.0%	1,400
Licenses and Permits	15,395,250	14,872,602	13,871,686	14,725,553	6.2%	853,867
Other Misc Revenues	7,149	2,453	8,000	83,320	941.5%	75,320
Rents	36,425	0	0	0	0.0%	0
Special Assessments	1,073,194	836,410	1,370,000	1,124,800	-17.9%	-245,200
Total for General Fund - City	17,102,441	16,325,205	15,821,686	16,244,435	2.7%	422,749
Special Revenue Funds						
State Government	0	20,000	0	0	0.0%	0
Total for Special Revenue Funds	0	20,000	0	0	0.0%	0
Total for INSPECTIONS	17,102,441	16,345,205	15,821,686	16,244,435	2.7%	422,749

INSPECTIONS Business Line Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
ADMIN. & PLAN REVIEW						
General Fund - City						
Capital Outlay	100,062	109,318	190,000	75,000	-60.5%	-115,000
Contractual Services	2,067,444	2,151,804	2,404,797	-158,681	-106.6%	-2,563,478
Equipment	188,679	386,085	115,900	7,196	-93.8%	-108,704
Fringe Benefits	1,549,074	1,639,641	1,917,492	86,736	-95.5%	-1,830,756
Operating Costs	358,440	360,391	389,529	33,051	-91.5%	-356,478
Salaries and Wages	7,166,184	7,807,526	7,489,877	522,142	-93.0%	-6,967,735
Total for General Fund - City	11,429,884	12,454,763	12,507,595	565,444	-95.5%	-11,942,151
Special Revenue Funds						
Capital Outlay	116,296	175,090	202,000	202,000	0.0%	0
Contractual Services	0	20,000	0	0	0.0%	0
Total for Special Revenue Funds	116,296	195,090	202,000	202,000	0.0%	0
Total for ADMIN. & PLAN REVIEW	11,546,180	12,649,853	12,709,595	767,444	-94.0%	-11,942,151
CONSTRUCTION - INSPECTION General Fund - City	0	0	0	402.000	0.00/	402.000
Capital Outlay	0	0	0	193,800		193,800
Contractual Services	0	0	0	528,024		528,024
Equipment	0	0	0	51,527		51,527
Fringe Benefits	0	0	0	1,018,842		1,018,842
Operating Costs	0	0	0	163,491	0.0%	163,491
Salaries and Wages	0	0	0	3,718,511	0.0%	3,718,511
Total for General Fund - City	0	0	0	5,674,195		5,674,195
Total for CONSTRUCTION - INSPECTION	0	0	0	5,674,195		5,674,195
DEVELOPMENT SERVICES						
General Fund - City		_	_			
Contractual Services	212	0	0	160,930		160,930
Equipment	0	0	0	18,525		18,525
Fringe Benefits	0	0	0	330,094		330,094
Operating Costs	0	0	0	57,348		57,348
Salaries and Wages	0	0	0	1,247,594	0.0%	1,247,594
Total for General Fund - City	212	0	0	1,814,491		1,814,491
Total for DEVELOPMENT SERVICES	212	0	0	1,814,491		1,814,491
ENVIRONMENTAL CONTROL						
General Fund - City						
Contractual Services	55	0	0	0	0.0%	0
Total for General Fund - City	55	0	0	0		0
Total for ENVIRONMENTAL CONTROL	55	0	0	0		0

GIS

General Fund - City

INSPECTIONS Business Line Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
GIS						
General Fund - City						
Contractual Services	0	0	220,925	0	-100.0%	-220,925
Fringe Benefits	0	0	84,968	0	-100.0%	-84,968
Operating Costs	0	0	123,706	0	-100.0%	-123,706
Salaries and Wages	0	0	320,389	0	-100.0%	-320,389
Total for General Fund - City	0	0	749,988	0	-100.0%	-749,988
Total for GIS	0	0	749,988	0	-100.0%	-749,988
HOUSING INSPECTIONS						
General Fund - City						
Contractual Services	3,050	849	0	1,389,614	0.0%	1,389,614
Equipment	0	0	0	38,968	0.0%	38,968
Fringe Benefits	0	0	0	722,237	0.0%	722,237
Operating Costs	0	0	0	124,827	0.0%	124,827
Salaries and Wages	0	0	0	2,583,881	0.0%	2,583,881
Total for General Fund - City	3,050	849	0	4,859,527		4,859,527
Total for HOUSING INSPECTIONS	3,050	849	0	4,859,527		4,859,527
Total for INSPECTIONS	11,549,496	12,650,703	13,459,583	13,115,657	-2.6%	-343,926

INSPECTIONS Staffing Information

	2000	2001	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
FTE's by Division						
Inspections	154.00	153.00	158.50	-	-100.00%	(158.50)
Administration	-	-	-	8.00	-	8.00
Construction Inspections	-	-	-	66.00	-	66.00
Housing Inspections	-	-	-	52.50	-	52.50
Development Services	-	-	-	24.00	-	24.00
Total FTE's	154.00	153.00	158.50	150.50	-5.05%	(8.00)